



Why do you pay
rates?

Why do you have to pay council rates?

Councils help local communities run smoothly. They administer various laws and regulations to help maintain and improve services and facilities for the community.

These services include community services, sporting and recreation services, environmental planning and protection, public health and waste services. The rates you pay allow your council to fund these services.

How does a council decide how much you have to pay in rates and charges?

Each council has a revenue policy that sets the rates and charges you have to pay and how they will be calculated.

Rates are based on the land value and category of your property, but may also include a minimum or fixed amount per property.

The land value is determined by the Department of Lands.

How does council decide which category your property is in?

There are four categories for rating purposes – residential, business, farmland and mining.

Most people are charged ordinary rates under the residential category. If you are not satisfied with the category given to your property, you can apply to council for a review or appeal to the Land and Environment Court.

What if you don't agree with the land value of your property?

Councils don't determine the land value of your property. Land is valued by the Department of Lands. These valuations are done about every four years and you should get a valuation notice after it is done.

If you don't agree with the land value, you have 60 days to object to the Department of Lands. You can also appeal to the Land and Environment Court.

How can you find out what your rates and charges are going to be?

Councils prepare draft management plans each year that include their proposed revenue policy for the following year. This plan is put on exhibition to give members of the public the opportunity to comment on it.

What is rate pegging?

The government sets a limit on the total amount of income a council can raise from certain rates and charges. This is called the rate-peg percentage and it is specified by the Minister for Local Government each year. Within rate pegging, rates on some properties may go up while others may go down.

Councils can apply to the Minister for Local Government to increase their general income by more than the rate peg limit. This is called a special variation application.

Do you have to pay a domestic waste management service charge?

Yes. The Local Government Act requires councils to levy an annual charge for providing domestic waste management services on all rateable land, whether or not the service is actually used.

As a pensioner, are you eligible for a concession on your rates?

You may be eligible for a concession if you receive a pension from either Centrelink or the Department of Veterans' Affairs, and have a pensioner concession card issued by the Commonwealth Government

Contact your council for a pensioner concession application form. You may be entitled to, for example, a rebate of up to \$250 on your rates.

What if you can't afford to pay your rates?

You may be eligible for a concession on the grounds of hardship. Councils may also be able to help you by agreeing to alternative payment plans or writing off interest on unpaid rates.

Need more information?

The NSW Department of Local Government is the state agency responsible for local government across NSW. Our specific role is to provide a clear policy and legislative foundation to local government in NSW so councils are able to deliver quality services to their communities.

The department has produced a range of other brochures and more detailed fact sheets on topics such as:

- Your council.
- How to access council information.
- How to have your say in Council.

You can access these documents on our website or by contacting us.

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